




CABINET FOR FAMILIES AND CHILDREN
DEPARTMENT FOR SOCIAL INSURANCE
"An Equal Opportunity Employer M/F/D"

DIVISION OF CHILD SUPPORT ENFORCEMENT

KASES Network Memo No. 40

TO: Staff, Division of Child Support Enforcement
All IV-D Agents

FROM: Steven P. Veno, Director 
Division of Child Support Enforcement

DATE: December 20, 1996

SUBJECT: DEFRA Disregard Payments for October 1996 through March
1997

As a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Welfare Reform), batch issuance of current month DEFRA Disregard payments was stopped effective October 1, 1996. Due to recent court action, the Cabinet for Families and Children (CFC) has agreed to pay the state's portion of DEFRA for the months of October 1996 through March 1997. Because of this decision, there will be three special runs completed to issue DEFRA Disregard payments through batch processing for this time period.

The first run will occur in mid December and will issue DEFRA Disregard payments on collections received in October and November. The second run will be completed during January 1997 month end processing and will issue DEFRA Disregard payments for collections received in December 1996 and January 1997. The third run will be completed during March 1997 month end processing and will issue DEFRA Disregard payments for collections received in February and March. Custodial parents will receive their DEFRA Disregard payment for October/November by December 25, 1996; their December/January payment by February 15, 1997; and their February/March payment by April 15, 1997.



To determine the eligible amount of DEFRA, KASES will multiply the amount collected for a specific month (up to \$50.00 or the monthly obligation, whichever is lower) by the state share percentage which is .2991. For instance, total collections for October were \$40.00 and total collections for November were \$40.00. The amount collected (\$40.00) multiplied by .2991 = \$11.96 for each month.

On KASES, the DEFRA issuance amount will be listed separately. For the month of October the calculated amount of eligible DEFRA will be listed as \$11.96. For the month of November the DEFRA Disregard payment also will be listed as \$11.96. Although the DEFRA Disregard payments are listed separately on KASES for October and November, the custodial parent will receive one check in December for a combined amount of \$23.92.

NOTE: ON KAMES INQUIRY, DEFRA WILL BE SHOWN FOR THE EARLIER MONTH FOR WHICH COLLECTIONS WERE RECEIVED AS A COMBINED AMOUNT FOR THE TWO MONTHS. IN OTHER WORDS, IF A CASE HAD COLLECTIONS FOR OCTOBER AND NOVEMBER, DEFRA WILL BE LISTED ON KAMES FOR OCTOBER. IF THE CASE HAD ONLY NOVEMBER COLLECTIONS, IT WILL BE LISTED ON KAMES UNDER NOVEMBER. IF THE CASE HAD COLLECTIONS POSTED IN NOVEMBER WITH AN OCTOBER RECEIVED DATE AND ALSO HAD NOVEMBER COLLECTIONS, DEFRA WILL BE LISTED ON KAMES UNDER OCTOBER.

RXB3

When an escrow payment is due for any month during the 10/96 - 3/97 time period, KASES will use the following formula to determine whether the custodial parent is eligible to receive DEFRA. If the amount of the RXB3 is equal to or greater than the custodial parent's DEFRA eligibility, DEFRA will not be issued. If the amount of the RXB3 is less than the custodial parent's DEFRA eligibility, KASES will subtract the RXB3 amount and send the custodial parent the difference.

If a custodial parent receives an escrow payment (RXB3) of \$20.00 in October, that amount will be subtracted from the calculated amount of eligible DEFRA (e.g., \$11.96) for that month before DEFRA is paid. Since the custodial parent has already received \$20.00 in RXB3 for October, additional amounts will not be paid when the special run is completed. If the custodial parent has received \$10.00 in RXB3 and he/she was eligible for DEFRA in the amount of \$11.96, DEFRA will be sent in the amount of \$1.96.

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ON-LINE ADJUSTMENT PROCESSING

In addition, a change has been made to KASES which allows accountants the capability of completing online DEFRA adjustments when applicable for the months of October 1996 through March 1997. An accountant can enter the total amount collected (up to \$50.00) for a specific month and KASES will automatically calculate the amount of eligible DEFRA.

PRIOR MONTH'S COLLECTIONS

Starting with the DEFRA processing which runs in mid December, DEFRA Disregard payments will be paid on collections received in current month, for a prior month, during weekly processing. THIS WEEKLY PROCESSING IS ONLY FOR A PRIOR MONTH'S COLLECTIONS.

DCSE STAFF AND CONTRACTING OFFICIAL STAFF ARE TO SAVE AND FILE THIS MEMO FOR FUTURE REFERENCE.

Retention: Until Superseded

Inquiries: DCSE Staff - Supervisors
IV-D Agents - Compliance Analysts

